

Service Date: January 3, 2001

DEPARTMENT OF PUBLIC SERVICE COMMISSION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of THE MONTANA)	
POWER COMPANY'S Application to)	UTILITY DIVISION
Change Therm Billing Zones for)	DOCKET NO. N2000.12.206
Natural Gas Service.)	FINAL ORDER NO. 6313

FINDINGS OF FACT

1. Pursuant to Commission Order 5860a in Docket No. 95.6.26, MPC is required to apply for Commission approval of any natural gas therm billing zone boundary changes. On December 5, 2000, MPC filed a letter requesting approval of several zone boundary changes.

2. MPC is requesting a new zone numbered Zone 24. This is located at the Valier tap on MPC's 16" transmission line south of Mainline One. The heating value for this zone will be assigned to the towns of Valier, Choteau and Fairfield. As a result of gas from Havre Pipeline entering the 16" pipeline at Mainline Three near Augusta, the gas composition varies south of Augusta. This results in Fairfield, Choteau and Valier needing a separate gas analysis. The creation of Zone 24 satisfies this requirement.

3. Changes in gas flows on MPC's transmission system caused by load growth in the Bozeman area, require that several changes be made to the zones between Butte and Bozeman. Zone 14 which contained the towns of Sheridan, Twin Bridges and Dillon will be eliminated. These three towns will

be moved to Zone 13. Since gas flows are always west to east from Butte to Bozeman, the Butte chromatograph gas analysis for Zone 13 can be used for towns located on the line from Pipestone to Dillon.

4. All of the towns west of Bozeman in Zone 15 will be moved to Zone 13. The reason for this change is that system flow data indicates that gas flowing west during peak periods from Dry Creek, which is usually “hotter” than gas flowing from Mainline One, stops at Bozeman City Gate Two. This is caused by higher demands in Bozeman created by population growth. This change ensures that those customers presently located west of Bozeman in Zone 15 will not be billed for higher BTU gas when MPC moves gas west from Dry Creek.

5. The effect of these changes is revenue neutral to MPC.

COMMISSION DECISION

6. The Commission finds that the zone changes requested by MPC are necessary to reflect current operating conditions on the natural gas system. The stability of therm billing zones since their adoption indicates to the Commission that the initial development of the zones was accurate.

CONCLUSIONS OF LAW

1. The Montana Power Company furnishes natural gas service to consumers in Montana, and is a public utility under regulatory jurisdiction of the Montana Public Service Commission. Section 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises jurisdiction over Montana Power Company’s rates and operations. Section 69-3-102, MCA, and Title 69, Chapter 3, Part 3, MCA.

3. The rate structure approved herein is just, reasonable and not unjustly discriminatory. Sections 69-3-330 and 69-3-201, MCA.

ORDER

1. Creation of a new therm billing zone numbered Zone 24 is approved. The heating value for this zone will be assigned to the towns of Valier, Choteau and Fairfield.

2. Elimination of Zone 14 is approved. The towns of Sheridan, Twin Bridges and Dillon will be moved to Zone 13. Since gas flows are always west to east from Butte to Bozeman, the gas analysis for Zone 13 can be used for these towns.

3. The reassignment of all towns west of Bozeman in Zone 15 to Zone 13 is approved. This change ensures that customers presently located west of Bozeman in Zone 15 will not be billed for higher BTU gas when MPC moves gas west from Dry Creek.

4. The effective date of this Order is January 2, 2001.

DONE AND DATED this 2nd day of January, 2001, by a vote of 5 - 0 .

DOCKET NO. N2000.12.206, ORDER NO. 6313

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chair

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision.
A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.